

Child Poverty Action Group
PO Box 56 150
Dominion Rd
Auckland
www.cpag.org.nz



PRESS RELEASE: APRIL 1ST 2006

Families will get much needed boost – but child poverty set to deepen

Today's introduction of the In Work Payment (IWP) as part of the government's Working for Families package means \$1.6 billion new money for thousands of mid- to low-income families. "This is really important recognition of the need to invest in future generations – and of the extra costs which parents face," says Child Poverty Action Group finance spokesperson Dr Susan St John.

However 230,000 children in benefit families will not receive any extra assistance today. These fail to qualify for the new 'In Work Payment'. "Child poverty can only deepen for those in families left out. Children's needs do not change because their parents do not work. The all-or-nothing IWP will create a double jeopardy." St John warns. "When incomes fall as a result of job losses or reduced work hours, the child-based IWP will also disappear".

CPAG argues that children need more security, not less, when things get tough financially. Low-paid workers are much more likely to be in jobs which are part-time, non-permanent and have variable working hours. There is a decade of evidence now showing that targeting family assistance on work status does not work, but only makes life tougher for children whose parents are in precarious employment situations.

When children's basic needs go unmet, even for short periods, the damage to their health and educational prospects can be devastating and permanent. "Our children are our most precious resource, now and into the future. It is rash to expose them to the risks – and force them to face the costs - of inadequate and insecure minimum family incomes," says Prof Innes Asher, CPAG Health Spokesperson.

"Parents are not always able to work to the levels required for the IWP," says CPAG Research Analyst Donna Wynd. "If this payment is needed as a work incentive, then why are people without children left out? If this payment is about rewarding work then why is it based on how many children people have? The IWP is complex, discriminatory and unfair.

"Families with children make up the majority of foodbank clients, and the need for food assistance continues to grow. Hungry children are not inevitable, they are a symptom of our continued lack of support for low-income families."

- The IWP is the subject of a case CPAG is bringing before the Human Rights Review Tribunal. CPAG alleges the payment discriminates against children on the basis of parental employment status. For more information see http://www.cpag.org.nz/campaigns/Child_Tax_Credit_IWP.html

Contact:

- **Rachel Somerfield**, CPAG Administrator, admin@cpag.org.nz (09) 303-9260